DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850

CMS/
CENTERS for MEDICARE & MEDICAID SERVICES

DIHS/FCHPG/CMSO/CMS

June 28, 2002

Mr. Manny Martins
Deputy Commissioner
Department of Finance and Administration
729 Church Street
Nashville, Tennessee 37247-6501

Dear Mr. Martins:

I am pleased to inform you that the Centers for Medicare and Medicaid Services (CMS) is approving Tennessee's 1915(b) Medicaid managed care program for persons who are dually eligible for Medicare and Medicaid. The approval of this waiver permits the State to continue the enrollment of Tennessee's dually eligible population into managed care organizations upon the expiration of the State's section 1115 demonstration, known as TennCare.

Under the authority of section 1915(b)(4) of the Social Security Act (the Act), approval is granted for a two-year period from July 1, 2002 through June 30, 2004. The approval provides for waiver of section 1902(a)(23) Freedom of Choice of Title XIX of the Act.

The decision to approve this waiver is based on evidence submitted to CMS showing that the State's waiver program is consistent with the purposes of the Medicaid program; has met statutory and regulatory requirements for assuring beneficiaries access to care and quality of services; and meets the waiver cost effectiveness requirement for section 1915(b) programs.

Please note that this approval is contingent upon the State arranging for an independent evaluation of the waiver with respect to access to care, quality of services and cost effectiveness. The results of this evaluation are to be submitted to CMS no later than 3 months before the expiration of this waiver authority.

We thank you and your staff for their assistance during this review and wish you success in the implementation of this program. If you have any questions, please contact Dorothy Smith in the Atlanta Regional office at (404) 562-7159.

Sincerely,

/S/

Mike Fiore
Director

cc: Eugene Grasser, ARA, CMS Atlanta Office